

**SB3693**



**96TH GENERAL ASSEMBLY**

**State of Illinois**

**2009 and 2010**

**SB3693**

Introduced 2/11/2010, by Sen. Don Harmon

**SYNOPSIS AS INTRODUCED:**

220 ILCS 5/19-150 new

Amends the Alternative Gas Supplier Law in the Public Utilities Act. Provides that a gas utility with more than 100,000 customers that offers transportation service to residential and small commercial customers shall file a tariff with the Illinois Commerce Commission pursuant to specified provisions within 6 months after the date of this amendatory Act that provides alternative gas suppliers with the option to have the gas utility purchase their receivables for gas supply service provided to residential retail customers and small commercial customers. Contains provisions concerning the purchase of receivables.

LRB096 15446 MJR 30660 b

FISCAL NOTE ACT  
MAY APPLY

**A BILL FOR**

1 AN ACT concerning utilities.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Public Utilities Act is amended by adding  
5 Section 19-150 as follows:

6 (220 ILCS 5/19-150 new)

7 Sec. 19-150. Purchase of receivables. A gas utility with  
8 more than 100,000 customers that offers transportation service  
9 to residential and small commercial customers shall file a  
10 tariff pursuant to Article IX of this Act within 6 months after  
11 the date of this amendatory Act of the 96th General Assembly  
12 that provides alternative gas suppliers with the option to have  
13 the gas utility purchase their receivables for gas supply  
14 service provided to residential retail customers and small  
15 commercial customers as those terms are defined in Section  
16 19-105 of this Act. Receivables for gas supply service of  
17 alternative gas suppliers shall be purchased by the gas utility  
18 at a just and reasonable discount rate to be reviewed and  
19 approved by the Commission after notice and hearing. In making  
20 a just and reasonable determination on the discount rate, the  
21 Commission shall consider the gas utility's historical bad debt  
22 experience, reasonable start up costs and administrative costs  
23 associated with the gas utility's purchase of receivables, the

1 impact if used by the gas utility of an automatic adjustment  
2 clause tariff pursuant to Section 19-140 of this Act to recover  
3 uncollectible expense, and whether the gas utility recovers  
4 uncollectible expense from customers of alternative gas  
5 suppliers through any of its existing rates or charges. The  
6 tariff filed pursuant to this Section shall include the formula  
7 used to derive the discount rate as well as the actual discount  
8 rate for the initial period. The discount rate filed pursuant  
9 to this Section shall be subject to periodic Commission review.  
10 The gas utility retains the right to impose the same terms on  
11 retail customers supplied by alternative gas suppliers with  
12 respect to credit and collection, including requests for  
13 deposits, and retain the gas utility's right to disconnect the  
14 retail customers, if it does not receive payment for its  
15 tariffed services or purchased receivables, in the same manner  
16 that it would be permitted to if the retail customers purchased  
17 gas supply service from the gas utility. The tariff filed  
18 pursuant to this Section shall permit the gas utility to  
19 recover from retail customers any uncollected receivables that  
20 may arise as a result of the purchase of receivables under this  
21 Section, may also include other just and reasonable terms and  
22 conditions, and shall provide for recovery of the prudently  
23 incurred costs associated with the provision of this service  
24 pursuant to this Section. Nothing in this Section permits the  
25 double recovery of bad debt expenses from customers.